NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 93-5189

FIRST FIDELITY BANK, N.A., NEW JERSEY, (FORMERLY KNOWN AS FIRST NATIONAL STATE BANK)

Appellee,

vs.

MATTHEW C. HUDSON

Appellant.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

(D.C. Civil No. 88-05550)
District Judge: Honorable John F. Gerry

ARGUED OCTOBER 26, 1993

BEFORE: BECKER, ROTH AND LEWIS, Circuit Judges.

(Filed , 1994)

MEMORANDUM OPINION OF THE COURT

LEWIS, Circuit Judge.

In the case before us Defendant-Appellant Matthew Hudson waited more than

the thirty days allotted in Federal Rule of Appellate Procedure 4(a)(1) to file a notice of appeal. Hudson moved to enlarge the time to appeal, and in the alternative, to vacate the entry of judgment. The district court denied these motions along with Hudson's motion for reargument filed pursuant to Rule 12-I of the Local Rules for the United States District Court for the District of New Jersey. Hudson appeals these denials. We have concluded that the district court did not commit an abuse of discretion in denying these motions. As a result, we will affirm.

I.

Plaintiff-Appellee First Fidelity Bank ("First Fidelity") filed an action in the Superior Court of New Jersey in 1988, seeking to recover on a guaranty which Defendant-Appellant Matthew C.

Hudson has made. Hudson removed the case to the United States District Court for the District of New Jersey. Summary judgment as to liability was granted to First Fidelity, and the parties subsequently agreed to submit to the district court a stipulation and order fixing the amount of damages. Both parties understood that Hudson anticipated appealing the district court's judgment.[1] On May 18, 1992, First Fidelity's counsel sent a "Stipulation and Order" and a final judgment to the court for the Judge's signature. Judge Gerry signed both documents on May 22, 1992, the clerk entered the judgment. First Fidelity's

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1. The stipulation the parties agreed to enter provided that the valuation "is agreed on for purposes of obtaining a final judgment only, does not constitute an admission by either party, and will not bind either party in the event that the final judgment of this Court is reversed on appeal." (Appendix at 20.)

counsel claims to have forwarded copies of the stipulation and judgment, together with a cover letter that stated "Enclosed please find filed copies of the 'Final Judgment' and 'Stipulation and Order Regarding Renewed Motion for Summary Judgment' in connection with the referenced litigation," to Hudson's local counsel in New Jersey, as well as to lead counsel in Chicago.

Local counsel, Robert Nussbaum, admits having received a copy of the letter, the judgment and the stipulation on May 28, 1992. However, Mr. Nussbaum did not take any action on the letter. He claims he assumed Chicago counsel received the letter and enclosures, as the cover letter was addressed to the Chicago counsel with Nussbaum only receiving a copy. In addition, he believed that as

lead counsel, Chicago counsel would inform him if any appeal were to be taken.

Chicago counsel, Lisa Fair and Michael Rovell, contend that it was not until they called Mr. Nussbaum on June 26 and asked the status of the judgment that they learned that the judgment had been entered over thirty days previously. Chicago counsel first claimed to have not received the cover letter and enclosures from First Fidelity, but upon a search of their offices on June 30, 1992, Chicago counsel found a copy of the letter which they had in fact received on June 1, 1992. Counsel did not find copies of the judgment or the stipulation. According to Federal Rule of Appellate Procedure 4(a)(1), a party has thirty days in which to appeal a final judgment. Thus by the time Fair and Rovell discovered that the judgment had been entered, Hudson had

missed the deadline for filing his notice of appeal.

Negotiations between Hudson's Chicago counsel and First Fidelity's counsel over whether First Fidelity would agree to an enlargement of the time to appeal failed. Hudson then filed two motions: a motion to enlarge the time to appeal pursuant to Fed. R.App.P. 4(a)(5); and a motion to vacate judgment under Fed. R.Civ.P. 60(b)(4). Hudson filed his Rule 4(a)(5) motion on the ground that his counsel had failed to comply with Rule 4(a)(1) due to "excusable neglect." Hudson filed his motion to vacate final judgment on the grounds that the final judgment failed to comply with Fed.R.Civ.P. 54 and 58. On October 21, 1992, the district court denied Hudson's motions, finding no excusable neglect to excuse Hudson's failure to file his notice

of appeal timely, and no technical errors in the form of entry of judgment that would render it invalid. Hudson then filed a motion to reargue the denial of his motion to enlarge time on November 4, which was refiled in accordance to Local Rule 12-N, as per instructions by the clerk of the district court. The district court denied Hudson's motion to reargue on March 17, 1993, and this appeal followed.[2]

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2. First Fidelity argues that we do not have jurisdiction over this appeal. With respect to Hudson's appeal of the district court's denial of his motion to vacate, First Fidelity contends that by filing his notice of appeal from the district court's October 21, 1992 order on April 1, 1993, Hudson ran afoul of Rule 4(a)(1). With respect to Hudson's appeal of the district court's denial of his Rule 4(a)(5) motion, First Fidelity contends that Hudson failed to file his notice of appeal from the underlying final judgment within ten days from the entry of the district court's October 21 order, as required by Rule 4(a)(5). We have considered and do not find merit to First Fidelity's jurisdictional arguments.

II.

A.

We review the district court's denial of Hudson's motion to vacate final judgment pursuant to Fed.R.Civ.P. 60(b), and for reconsideration pursuant to Local Rule 12-I, for an abuse of discretion. See Harris v. Martin, 834 F.2d 361, 364 (3d Cir. 1987) (Rule 60(b)); Koshatka v. Philadelphia Newspapers, Inc., 762 F.2d 329, 333 (3d Cir. 1992) (motion for reconsideration). Because we find no merit with respect to Hudson's contentions in this regard, we conclude that the district court did not abuse its discretion, and will affirm the denial of these motions.

B.

The more significant question, however, which we now consider, is whether the district court abused its discretion

in denying Hudson's motion to enlarge the time for filing an appeal under Fed.R.App.P. 4(a)(5). While our review of the district court's interpretation and application of Rule 4(a)(5) is plenary, we review the district court's denial of the requested extension for abuse of discretion. Consolidated Freightways Corp. of Delaware v. Larson, 827 F.2d 916, 918 (3d Cir. 1987).

Federal Rules of Appellate Procedure 4(a)(5) provides:

> The district court, upon a showing of excusable neglect or good cause, may extend the time for filing a notice of appeal upon motion filed not later than 30 days after the expiration of the time prescribed by this Rule 4(a). . . . No such extension shall exceed 30 days past such prescribed time or 10 days from the date of entry of the order granting

> the motion, whichever occurs later.

Fed.R.App.P. 4(a)(5). The district court denied Hudson's motion to enlarge the time to appeal because it found he had failed to show excusable neglect.[3]

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3. Because seven of our sister circuit courts of appeals have construed Rule 4(a)(5) as permitting a "good cause" analysis only where the movant has brought the Rule 4(a)(5) motion prior to the expiration of the time allotted in Rule 4(a)(1) for the filing of a notice of appeal, and one has construed Rule 4(a)(5) as calling for excusable neglect and good cause analysis even where the 4(a)(5) motion is brought after the expiration of the 30-day period for taking the appeal, see Scarpa v. Murphy, 782 F.2d 300, 301 (1st Cir. 1986), we requested that the parties submit supplemental briefing on the question whether the district court should have considered whether Hudson had "good cause" for his failure to comply with Rule 4(a)(1). Upon review of the materials the parties submitted, we conclude that had the district court considered whether Hudson had good cause for his failure to comply with Rule 4(a)(1)'s 30-day time limit, the same denial of Hudson's Rule 4(a)(5) motion would have resulted. See Pontarelli v. Stone, 930 F.2d 104, 109-111 (1st Cir. 1991).

In Consolidated Freightways, we interpreted "Rule 4(a)(5) to require a finding of excusable neglect in those instances where the court, after weighing the relevant considerations is satisfied that counsel has exhibited substantial diligence, professional competence and has acted in good faith to conform his or her conduct in accordance with the rule." Consolidated Freightways, 827 F.2d at 920. We articulated five factors to be weighed in making this determination:

> (1) whether the inadvertence reflects professional incompetence such as ignorance of the rules of procedure; (2) whether the asserted inadvertence reflects an easily manufactured excuse incapable of verification by the court; (3) whether the tardiness results from counsel's failure to provide for a readily foreseeable

> consequence; (4) whether the inadvertence reflects a complete lack of diligence; or (5) whether the court is satisfied that the inadvertence resulted despite counsel's substantial good faith efforts toward compliance.

Consolidated Freightways, 827 F.2d at 919 (citations omitted).

The district court found that Chicago counsels' claims of never having seen the cover letter, which was later discovered in their offices, and of not having received the copies of the judgment and stipulation, constituted "excuses incapable of verification by the court." (Appendix at 111) (quoting Consolidated Freightways, 827 F.2d at 919). Next, the court found that "particularly given the fact that Chicago counsel was aware of the precise date on which the proposed judgment was submitted to the court, it

must be said that his failure to take any affirmative steps within 30 days of that date to check whether it had been signed and entered constituted a 'failure to provide for a readily foreseeable consequence' and a failure to make 'substantial good faith efforts toward compliance,' as well as a lack of due diligence." (Appendix at 111) (quoting Consolidated Freightways, 827 F.2d at 919). In finding that Hudson's counsel had the affirmative duty to check with the court and confirm whether or not the judgment had been entered, the district court relied on our decision in Hall v. Community Mental Health Center of Beaver County, 777 F.2d 42, 46 (3d Cir. 1985), in which we held that attorneys have a duty to monitor proceedings. The district court also noted that Federal Rule of Civil Procedure 77(d), which makes clear

that "notification by the clerk of the entry of judgment has nothing to do with the starting of the time for appeal," supports this view. See Notes of Advisory Committee on Rules (1946 Amendment). Finally, the court distinguished this case from Consolidate Freightways, where the attorney sent the notice of appeal within the time period allotted but inadvertently addressed it to the wrong court. Here, counsel let the judgment entry date and the fifty or so days thereafter slip by without doing anything.

Our own application of the Consolidated Freightways factors leads us to the same conclusion the district court reached: Hudson failed to demonstrate "excusable neglect." With respect to the first factor, whether counsel's inadvertence reflects professional incompetence such as ignorance of the

rules of procedure, we decline, as did the district court, to apply such a harsh label to the conduct of Hudson's Chicago counsel. We also agree with the district court's assessment of Consolidated Freightways factor four in relation to Hudson's Chicago counsel; while counsel arguably may have displayed a lack of diligence, to call lead counsel's conduct "complete[ly] lack[ing in] diligence" is, in our estimation, an overly harsh characterization. As for Hudson's local counsel, however, we believe that it may fairly be said that it did exhibit a lack of diligence in light of Local Rules 4 and 8, in having allowed the appeal deadline to pass without making certain that the appeal notice was filed.[4]

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4. Under these local rules, only local counsel is authorized to file papers with the court, and such papers must be signed by local counsel.

As for the other three Consolidated Freightways factors, we conclude that each weighs against a finding of excusable neglect.

Chicago counsel's explanation for its failure to comply with Rule 4(a)(1) is, as the district court noted, "incapable of verification by the court." Moreover, counsel's tardiness apparently resulted from its failure "to provide for a readily foreseeable consequence," and to make "substantial good faith efforts toward compliance." In sum, we conclude that given that Hudson's Chicago counsel knew the date on which the proposed judgment had been submitted to the court, its failure to take any action within thirty days of that date to check whether the judgment had been signed and entered is an "inadvertence . . . result[ing] from counsel's lack of diligence," Consolidated

Freightways, 827 F.2 at 919, rather than "inadvertence occur[ing] despite counsel's affirmative effort to comply" with Rule 4(a)(1)'s 30-day deadline. Id.

III.

In conclusion, we realize that the result we reach may be viewed as a harsh one and may seem unfair, given that Mr. Hudson may be forced to suffer whatever consequences will flow from the inadvertence of his counsel. We are, however, constrained by our case law and narrow scope of review. In our view the district court's conclusion is well-reasoned and did not constitute an abuse of discretion. Therefore, we will affirm.

TO THE CLERK:

Please file the foregoing opinion.

_____
Circuit Judge

By:_____
Paul Kizel
(PK 4176)
RAVIN, SARASOHN, COOK,
BAUMGARTEN, FISCH & DAIME
103 Eisenhower Parkway
Roseland, New Jersey 07068-1072
(201) 228-9600
Attorney for Plaintiff

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CAMDEN, NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:
Plaintiff,	:
-vs-	:
MATTHEW C. HUDSON,	:
Defendant.	:

CIVIL ACTION NO. 88-5550
CIVIL ACTION

FINAL JUDGMENT

Plaintiff, First Fidelity Bank, N.A., New Jersey, having filed a motion for summary jdugment pursuant to Rule 56 of the Federal Rules of Civil Procedure, and the Court having filed opinions dated October 3, 1990, February 1, 1991, and

February 1, 1991, and June 18, 1991, and the parties having entered into a stipulation dated May _____, 1992;

IR IS ON THIS 19th day of May, 1992;

ORDERED AND ADJUDGED, that the Plaintiff, First Fidelity Bank, N.A., New Jersey, be granted summary judgment against Defendant, Matthew C. Hudson, in the sum of $13,763,795.05 with interest thereon from this date at the rate of 4.40% as provided by law.

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HONORABLE JOHN F. GERRY
CHIEF JUDGE, UNITED STATES
DISTRICT COURT FOR THE DISTRICT
OF NEW JERSEY

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:
Plaintiff,	:
-vs-	:
MATTHEW C. HUDSON,	:
Defendant.	:

Civil NO. 88-5550
OPINION

APPPEARANCES:

David B. Bacon, Esq.
Archer & Greiner
One Centennial Square
Haddonfield, N.J. 08033

Attorney for Plaintiff

Bruce Goldstein, Esq.
Saiber, Schlesinger, Satz & Goldstein
One Gateway Center
Newark, N.J. 07102-5311

Michael Rovell, Esq.
55 West Monroe Street
Chicago, Ill. 60603

Attorneys for Defendant

GERRY, Chief Judge

Final judgment in this case was entered against defendant, Matthew Hudson,

on May 22, 1992. After the 30 days in which to file a notice of appeal pursuant to Rule 4(a)(1) of the Federal Rules of Appellate Procedure had expired, defendant filed this motion to enlarge the time to appeal on the grounds that his counsel had not know of the entry of final judgment by the court until after the appeal deadline. In the alternative, defendant moves to vacate the entry of judgment on the grounds that if failed to comply with the requirements of Fed.R.Civ.P. 54 and 58. Plaintiff opposes both motions. For the reasons set forth below, defendant's motions will be denied.

I. Facts

The following facts are gleaned from affidavits submitted by both parties. Summary judgment as to liability was granted to plaintiff, and the parties subsequently agreed to submit to the court a stipulation and order fixing the amount

of damages. Both parties understood that defendant anticipated appealing this judgment. On May 18, 1992, plaintiff's counsel submitted a proposed "Stipulation and Order" and "Final Judgment" to the court as had been agreed upon by the parties. The cover letter to the court and copies of the proposed judgment and stipulation were simultaneously forwarded both to defendant's local counsel and to defendant's outside counsel in Chicago, who were admitted pro hac vice and were acting as lead counsel on the case.

The judgment and the stipulation were signed by the judge on May 19, 1992, and the judgment was formally entered on the docket by the clerk on May 22, 1992. On May 26, 1992, plaintiff's counsel received executed and filed copies of the stipulation and the judgment from the court. On May 27, 1992, plaintiff's counsel assert that they sent a cover

letter and copies of the stipulation and the judgment via regular mail to both defendant's local counsel and to the Chicago law firm representing defendant. Defendant's local counsel, Robert Nussbaum, admits having received the cover letter with copies of the filed judgment and stipulation on May 28, 1992. Because the cover letter was addressed directly to the Chicago law firm with a copy sent to Mr. Nussbaum, he assumed that his co-counsel in Chicago had received the letter and enclosures and therefore took no action to notify them as to the entry of judgment.

Defendant's chicago counsel, Lisa Fair and Michael Rovell, assert that they were unaware that judgment had been entered until June 26, 1992. On that day, having not heard anything in slightly over 30 days, they called opposing counsel to ask if judgment had been entered yet.

That is when they found out it had been entered over 30 days previously. On the following Monday, June 29, 1992, Lisa Fair called plaintiff's counsel again to ask whether they would agree to an enlargement of the time to appeal. It appears that negotiations as to this issue legitimately extended until July 9, 1992, when plaintiff indicated that it would not agree to an enlargement of time. Five days later, defendant filed this motion.

Lisa Fair admits that after learning of the entry of judgment from the telephone call of June 26, 1992, she searched her office and eventually found the cover letter of May 27th that plaintiff's counsel had sent with the filed judgment and stipulation. The cover letter was apparently received on June 1, 1992, but Ms. Fair states that it appears to have been received without any enclosures. She asserts that her "best

recollection" is that she never saw the cover letter at all, and that even if she had seen it, the text of it would have indicated t her that plaintiff's counsel "was simply transmitting copies of what had been stamped 'Filed' by the Clerk to indicate that they had been received by the court from [plaintiff's counsel]." The cover letter reads as follows:

> Enclosed please find filed copies of the "Final Judgment" and "Stipulation and Order Regarding Renewed Motion for Summary Judgment" in connection with the referenced litigation.

II. Discussion

A. Enlargement of Time to Appeal for "Excusable Neglect"

Federal Rule of Appellate Procedure 4(a)(1) permits an extension of time to file a Notice of Appeal after the expiration of thirty days in cases where the would-be appellant can demonstrate

"excusable neglect." Both parties agree that the controlling case interpreting "excusable neglect" is Consolidated Freightways Corp. v. Larson, 827 F.2d 916 (3d Cir. 1987), cert. denied 484 U.S. 1032 (1988). In that case the Third Circuit identified the following factors to be considered in determining whether "excusable neglect" has been shown":

> 1) whether the inadvertence reflects professional incompetence such as ignorance of the rules of procedure;
> 2) whether the asserted inadvertence reflects an easily manufactured excuse incapable of verification by the court;
> 3) whether the tardiness results from counsel's failure to provide for a readily foreseeable consequence;
> 4) whether the inadvertence reflects a complete lack of diligence;
> 5) whether the court is satisfied

> that the inadvertence resulted despite counsel's substantial good faith efforts toward compliance.

Id. at 919 (citations omitted).

In Consolidated Freightways the Third Circuit declined to adopt a per se rule that would hold that the inadvertence of counsel can never constitute excusable neglect. Rather, where the notice of appeal was received by the court three days later because the would-be appellant had inadvertently addressed to the notice of appeal to the wrong court, the Third Circuit held that excusable neglect had been shown. The facts presented here are clearly distinguishable. As the Third Circuit observed, "[t]here is a qualitative distinction between inadvertence which occurs despite counsel's affirmative efforts to comply and inadvertence which results from counsel's lack of diligence." While in

Consolidated Freightways, counsel took the affirmative step of sending the notice of appeal in a timely fashion, but inadvertently erred in addressing the envelope, here, defendant's Chicago counsel failed to take any affirmative steps to inquire as to whether judgment had been entered until after it was too late, despite the fact that they were aware of the exact date on which the proposed judgment had been submitted for the judge's signature.

Moreover, the fact that the cover letter clearly indicating that the judgment had been entered was received by the Chicago law firm renders defendant's position even more dubious. While we do not intend to impugn the veracity of defense Lisa Fair's assertion that she never saw the letter that was later recovered in the law firm's office, we must observe that this constitutes an

"excuse incapable of verification by the court."[1] Additionally, it can be argued that the conduct of Chicago counsel in this case "reflects professional incompetence," the "failure to provide for a readily foreseeable consequence," and "a complete lack of diligence." Indeed, the Third Circuit has held that lawyers have an affirmative duty to periodically check with the court to find out when judgment had been entered.[2] Hall v. Community

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[1]We find her hypothetical assertion that if she had seen the letter she would have interpreted it to mean something other than that the judgment had been filed by the court, to be entirely incredible.

[2]Indeed, the language of Fed.R.Civ.P. 77(d) supports this view:

> Immediately upon the entry of an order or judgment the clerk shall serve a notice . . .upon each party . . . . Lack of notice of the entry by the clerk does not affect the time to appeal or relieve or authorize the court

Mental Health Center, 772 F.2d 42 (3d Cir. 1985).

In the face of these arguments, defendant has directed our attention to a case from the Middle District of Pennsylvania in which the court found excusable neglect based on facts quite similar to those presented here. In Haib Cranes & Loaders v. U.S. Truck Cranes, 125 F.R.D. 107 (M.D.Pa. 1989), appellant's counsel was not personally aware that judgment had been entered until over two weeks after the deadline for filing an appeal had passed because, although the filed judgment had been received in his office, it had been placed in a stack of correspondence in the secretary's office

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to relieve a party for failure to appeal within the time allowed, except as permitted in Rule 4(a) of the Federal Rules of Appellate Procedure.

without being presented to the attorney. The court held that, although this was a close case, excusable neglect had been shown. The court counted in appellant's favor the facts that counsel had acted promptly upon learning of the error, and that opposing counsel had been aware of the appellant's intention to appeal, both of which circumstances are also present here.

One important aspect of this case, however, distinguishes it from Haib and compels us to reach a different result. Here, the would-be appellant had local counsel who clearly knew of the entry of judgment. It is perhaps understandable that local upon receiving a copy of the judgment with a cover letter addressed directly to Chicago counsel, did not immediately contact his Chicago co-counsel, but rather assumed that it had been received by them. To then allow the

appeal deadline to pass, however, without ensuring that the appeal notice was filed, in our view reflects "a complete lack of diligence" on his part. Under Local Rules 4 and 8, only local counsel is authorized to file papers with the court, and such papers must be signed by local counsel" in this case, it was specifically the responsibility of local counsel to file the notice of appeal. Indeed, according to the Local Rules, Chicago counsel could not file it.

Therefore, even if we were to entertain some doubt as to whether the conduct of the Chicago counsel might rise to the level of excusable neglect in this case, when we consider in addition the independent and inadequate conduct displayed by local counsel, it is clear that the excusable neglect threshold has not been met. Accordingly, defendant's motion to enlarge the time for filing an

appeal will be denied.

B. Failure of Judgment to Conform to Rule 54 and 58

Rules 54 and 58 all relate to the definition, form and entry on the docket of final judgments. Defendant argues that because various technical requirements of these Rules were not adhered to, the Judgment entered on May 22, 1992 was not technically a final judgment and therefore did not trigger the running of the time for appeal. Defendant cites United States v. Indrelunas, 411 U.S. 216 (1973) for the proposition that Rule 58 must be "mechanically applied" in order to avoid any uncertainties as to the time for appeal.

The technical errors that defendant points to are first, that the judgment contains a "recital of some of the pleadings," in violation of Rule 54(a) which requires that "[a] judgment shall not contain a recital of pleadings, the

report of a master, or the record of prior proceedings." Defendant, however, provides no citation in support of the proposition that this provision of Rule 54 must be "mechanically applied" in the same manner as Rule 58. Indeed, according to Wright and Miller, Rule 54(a) is not to be strictly applied. They write, [a]lthough a judgment that contains extraneous matter is contrary to the spirit of Rule 54(a), if it otherwise is proper, it should be given effect." 10 C.Wright, A.Miller & M. Kane, Federal Practice and Procedure, § 2652 at 18. Moreover, it is not at all clear that the short "recital" contained in this judgment is violative of rule.[3]

Secondly, defendant asserts that

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[3]It states, "Plaintiff . . . having filed a motion for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure, and the Court having filed opinions dated October 3, 1990, February 1, 1991, and June 18, 1991, and the parties having entered into a Stipulation . . ."

Rule 58's requirement that "the clerk, unless the court otherwise orders, shall forthwith prepare, sign, and enter the judgment" and that "[a]ttorneys shall not submit forms of judgment except upon direction of the court, and these directions shall not be given as a matter of course" has been violated. The final judgment was prepared by plaintiff's attorney rather than the clerk. The preparation of final judgments by attorneys, is, in fact, expressly authorized under Local Rule 22B, but defendant argues that this Local Rule violates the federal rule.

Even assuming that defendants argument is correct, and that this judgment did therefore violate Rule 58, a violation of this aspect of Rule 58 would not warrant the kind of extreme remedy that the Supreme Court imposed in Indrelunas, holding the judgment entirely

invalid. Indrelunas involved a violation of the separate document rule and held specifically that this aspect of Rule 58 -- not the entire Rule -- must be "mechanically applied." The Court based its reasoning on the purpose behind the separate document rule, which was to ensure greater certainty about when final judgment has been entered, and this to reliably put litigants on notice as to when the appeal period begins to run. The purpose behind Rule 58's requirement that judgments be drafted by the court, in contrast, has nothing to do with ensuring certainty as to when judgment has been entered. Rather, its purpose is to avoid delays in the entry of judgment. See 11 C.Wright, A.Miller & M. Kane, Federal Practice and Procedure § 2786. Thus, a violation of this aspect of Rule 58 does not implicate the adequacy of notice to the litigants, and we therefore do not

find the Indrelunas holding appropriate or controlling here. Indeed, defendant has not cited any cases in which Indrelunas has been applied to this aspect of Rule 58.

Finally, defendant argues that the judgment was not signed by the clerk. In fact, the judgment has been stamped "Entered" and that stamp has been signed by the clerk, as is the usual practice in this court. We do not find that practice to be violative of Rule 58.

Thus, because we do not find any technical errors in the form or entry of the judgment that would render it invalid, defendant's motion to vacate the entry of the judgment will be denied.

III. Conclusion

Accordingly, for the reasons set forth above, both of defendants motions are denied. The accompanying order has been entered.

JOHN F. GERRY, CHIEF JUDGE

DATED: October 21, 1992

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:
Plaintiff,	:
-vs-	:
MATTHEW C. HUDSON,	:
Defendant.	:

Civil NO. 88-5550
MEMORANDUM OPINION AND ORDER

APPPEARANCES:

David B. Bacon, Esq.
Archer & Greiner
One Centennial Square
Haddonfield, N.J. 08033

Attorney for Plaintiff

Bruce Goldstein, Esq.
Saiber, Schlesinger, Satz & Goldstein
One Gateway Center
Newark, N.J. 07102-5311

Michael Rovell, Esq.
55 West Monroe Street
Chicago, Ill. 60603

Attorneys for Defendant

GERRY, Chief Judge

Following the entry of a $13.7 million judgment against him, Matthew

Hudson's attorneys missed the deadline for fling an appeal. This court denied Mr. Hudson's motion to extend that time for filing an appeal, and he now moves for reconsideration of that decision pursuant to Local Rule 12I. For the reasons set forth below, on reconsideration this court again declines to grant Mr. Hudson's motion for an extension of time.

The facts relevant to this motion have already been set forth in our opinion of October 21, 1992, and we will not repeat them here.

On reargument defendant focuses on our findings with respect to the conduct of local counsel, arguing that their conduct constituted "excusable neglect," and that an extension of time file an appeal is therefore warranted. Defendant apparently misapprehends the reasons of our original opinion. Our conclusion there did not turn on our

assessment of the actions of counsel in and of itself to fall short of the excusable neglect standard, even assuming no inadequacy on the part of local counsel. Accordingly, even if we were to reverse our finding with respect to the conduct of local counsel, as defendant urges, our ultimate decision on the merits of the motion would not change.

A determination under the "excusable neglect" standard is made by considering the conduct of counsel in light of five factors set forth by the Third Circuit in Consolidated Freightways Corp. v. Larson, 827 F.2d 916 (3d Cir. 1987), cert. denied, 484 U.S. 1032 (1988). Those factors are:

> 1) whether the inadvertence reflects professional incompetence such as ignorance of the rules of procedure;
> 2) whether the asserted inadvertence reflects an easily manufactured excuse

> incapable of verification by the court;
> 3) whether the tardiness results from counsel's failure to provide for a readily foreseeable consequence;
> 4) whether the inadvertence reflects a complete lack of diligence;
> 5) whether the court is satisfied that the inadvertence resulted despite counsel's substantial good faith efforts toward compliance.

Id. at 919 (citations omitted). As we held in our original opinion and will reiterate here, an examination of the facts of this case in light of these facts clearly shows that the conduct of Chicago counsel did not rise to the level of "excusable neglect."

Chicago counsel's assertion that they never saw the cover letter that was later recovered in their offices and that they never received the judgment and

stipulation are clearly excuses "incapable of verification by the court." Moreover, particularly given the fact that Chicago counsel was aware of the precise date on which the proposed judgment was submitted to the court, it must be said that his failure to take any affirmative steps within 30 days of that date to check whether it had been signed and entered constituted a "failure to provide for a readily foreseeable consequence: and a failure a make "substantial good faith efforts toward compliance," as well as a lack of diligence. Indeed, as we pointed out in our previous opinion, the Third Circuit has held the court to find out when judgment has been entered, even in situations where they have no way of estimating when that may be. See Hall V. Community Mental Health Center, 722 F.2d

42 (3d Cir. 1985).[1]

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[1]In Haib Cranes & Loaders v. U.S. Truck Cranes, 125 F.R.D. 107 (M.D.Pa. 1989), based on facts very similar to those presented here, the district court found that the third and fifth Consolidated Freightways factors favored the moving party. We do not find that court's analysis convincing, however. The Haib court reasoned that "counsel could not have foreseen that a secretary would prevent an attorney from seeing the documents by intercepting them when they came into the office." Id at 110. In our view, however, the question posed by Consolidated Freightways is not whether it was foreseeable that the particular event which resulted in the lack of notice would occur, but whether it was foreseeable that anything might happen to prevent counsel from receiving notice that judgment had been entered. When the question is framed broadly in this way, and viewed in light of the Third Circuit's holding in Hall Mercer, we think it is difficult to avid the conclusion that, where counsel knew that the entry of judgment would be imminent, their failure to check with the court, was a "failure to provide for a readily foreseeable consequence."

Similarly, we find somewhat too glib the Haib court's conclusion that counsel in that case "exerted substantial good faith efforts toward compliance, [because he] fil[ed] promptly for an extension of time upon discovering that the judgment had been entered." While the speed with which counsel moves to cure the delay after the mistake has been discovered is approximately considered under this fact, see Consolidated Freightways, 827 F.2d at 920, counsel's

We are hesitant to apply the harsh label of "professional incompetence" to the conduct of Chicago counsel since we are convinced that his failure to take action sooner arose from inadvertence rather than an "ignorance of the rules of procedure." Additionally, while we find that they clearly displayed a lack of diligence, to call it a "complete lack of diligence" may be an overly harsh characterization. Nonetheless, despite such hesitations as to the first and fourth Consolidated Freightways factors, we cannot escape the fact that the other three facts clearly weigh against defendant. Thus, considering all five

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good faith efforts before the expiration of here, as in Haib defense counsel moved reasonably quickly to obtain an enlargement of time after discovering the error, their failure to check with the court before the appeal deadline demonstrated a definite lack of "substantial good faith effort." On balance, therefore, we find that this facto also weighs against defendant.

facts together, we have no choice but to reach the conclusion that "excusable neglect" on the part of Chicago counsel has not been shown.

Where two attorneys have responsibility for an appeal, an extension cannot be granted unless both could show excusable neglect. See Prestex, Inc. v. United States, 4 Cl.Ct. 317 (1984), Aff'd mem., 746 F2d 1489 (Fed.Circ. 1984). Accordingly, given our finding that Chicago counsels' conduct fails to meet the excusable neglect threshold, we are compelled to deny the motion for an extension of time, regardless of our findings with respect to local counsel.[2]

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[2]J.P. Fyfe, Inc. of Florida v. Bradco Supply Corp., 96 B.R. 479 (D.N.J. 1989), cited by defendant, does not compel a different result. F.P. Fyfe merely held that where more than one lawyer is involved, but one attorney "has acquired the sole responsibility for filing a notice of appeal, only he may fairly be required to satisfy the [excusable neglect] test." Id, at 483. Here, Chicago counsel and local counsel had

Thus, we need not address defendant's arguments with respect to the conduct of local counsel.

Therefore, this matter having come before the court on defendant's motion for reconsideration of this court's order denying defendant's motion for an enlargement of the time to file an appeal, and the court having considered the submissions of the parties and having reconsidered its earlier decision;

It is, this 17th day of March, 1993, hereby ORDERED that this court's order denying defendant's motion for an enlargement of time is AFFIRMED.

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joint responsibility for filing the appeal. While the actual physical acts of signing and filing the appeal notice had to be performed by local counsel under Local Rules 4 and 8, before that could be done, authorization had to be given by Chicago counsel, who was lead counsel and had exclusive contact with the client. Thus, a finding of excusable neglect by both Chicago and local counsel would be necessary tow arrant an extension in this case.

JOHN F. GERRY, CHIEF JUDGE

Mr. Edward L. Heil
Executive Vice President
First Fidelity Bank
570 Broad Street
Newark
New Jersey
07192

September 22, 1987

Dear Ed,

I have made six or seven phone calls to you over the last few weeks, each time prearranging with your secretary a time or a day and time when I could expect to get through to you. At each and every call I was told that you had someone with you and could not take the call, with one exception when I was told you had not yet returned from the loan committee meeting. I don't know why you have not wanted to take my call although it adds to my disappointment in how the Bank has conducted itself in this matter. Notwithstanding my personal feelings I believe it would be best for all if we put this matter behind us. I would urge you to accept the Beni proposal which will save us all further costs and litigation. My lawyer has met on at least two occasions with David Bruck to attempt to facilitate the Beni proposal and has offered whatever assistance we can render in aiding the Bank with Beni, perhaps in enhancement of their offer. Similarly we

have contacted your new lawyer to suggest a meeting.

Over the last several months I have become aware of unfounded, even ludicrous, allegations that I abandoned APG and Marina Club when relocating to the UK at the beginning of 1986. This relocation was done to facilitate the raising of the equity for the Casino project pursuant to an undertaking given to me by certain members of the U.K. consortium. Recently (June 1987) the consortium took U.K. legal advice and settled their potential liability to me by assigning to me all of their common shares, preference shares and debt in APG for 6 pounds. Their investment in these assets was approximately $20 million. All of the consortium assets as well as all my common stock, preference stock and debt have been offered by me to Beni for nothing to induce Ragan Henry to make an acceptable deal with the Bank for Marina Club.

As between myself and the Bank Ed, I think you should know that since the formation of APG I have never taken a loan, distribution or dividend of any kind from the company. I never drew the full amount of the salary to which I was entitled by contract and after the last spring of 1985 I drew no salary of any kind whatsoever. Throughout the period of time from the formation of the company in 1983 through the summer of 1986 my average APG work week was in excess of 60 hours. For the last year for obvious reasons this has declined to some 20 -30 hours per week. Since the formation of the company I have converted more than $4.8 million of cash and debt owing to me into equity in APG. Much of this was done at the

insistence of the UK consortium and on average the common stock acquired by me subsequent to the consortiums involvement was acquired at prices roughly double what the consortium paid in each case for their equity. In addition to the conversion of cash and debt into stock, subsequent to January 1, 1986 I have forgiven another $500,000 of debt so that the company could meet certain SEC requirements and therefore maintain its' NASDAQ listing.

Since coming to the UK to work on the Casino financing (which of course included refinancing Marina Club as it was to become a satellite hotel operation) I have personally expended several hundred thousand dollars and untold hours attempting to refinance and remarket Marina Club. In certain instances that effort has been thwarted by actions of the Banks' agents. I believe that it may be valuable for you to be aware of some of the situations of which I refer.

1. Through the offices of Simmons and Simmons in London and Hong Kong, as well as Spector Cohen Gadon and Rose in Philadelphia, financing arrangements were put in place whereby a Netherlands Antilles company was formed to joint venture Marian Club with APG and to sell shares in the Far East. We had been assured through International Capital Management that the property would be sold out within twelve to eighteen months (just about now in fact). On November 18, 1986 Dr Geiger and Mr Jensen (representing International Capital Management) met with David Bruck of Greenbaum et al to discuss the ICM proposal. Unfortunately Mr Bruck's temporary secretary cancelled the meeting and a subsequent meeting prior to

Mr Jensen's leaving for the Orient could not be arranged.

Generally the Bank and its agents looked upon the International Capital Management plan and the foreign investment proposal as "pie in the sky". To the contrary, this plan would have not only refinanced American Property Group but generated the income necessary for the Banks to be made "whole" and for the company to realise a significant profit on the sale of the units. The second part of our agreement with ICM would have provided for Tannen Towers to be similarly refinanced and sold thus permitting APG to move forward with its Casino plans.

Today, Mr Jensen is in the process of successfully raising funds for another project in Atlantic City (through the Oriental market) but unfortunately, because the Bank was unwilling to wait the additional time necessary before taking action to litigate the loan, our agreement with ICM could not be pursued. I have asked Phil Geiger to send under separate cover a brochure which was created by APG (funded by myself) at the request of the Orientals so that the N.V. stock could be sold further enhancing our ability to pay the Bank either through the sale of the stock or through the sale of the individual condominium units.

I personally funded in excess of $70,000 for legal fees and expenses as well as months and months of effort in order to bring about this initiative. Surely the Bank will have been better off spending the twelve to eighteen months satisfying the loan balance rather than litigating as it now finds itself. The ICM agreement would not only have

satisfied the Banks' outstanding loan but the company would have earned a significant profit with the potential benefits of funding the Tannen Towers Casino. Clearly the biggest loser in this situation is myself since the Bank still has Marina Club and the vacant land complete with approvals for hundreds of residential units, as its collateral.

2. An agreement was reached with Penta Hotel Corporation of Ascot, England to finance the continued development of Marina Club. It was the intention of Penta Hotels Limited to place no less that $1 million into the project representing 10% of the equity needed to construct the balance of the development. Again, despite the fact that the Bank was informed of this prospect and the expectations that the announcement of Penta's participation would accelerate sales of Building One and give credibility to the project in general, the Bank through its agents did not permit the delay in its foreclosure action and the Penta agreement was later withdrawn by Mr Fred Dillman, President of Penta Limited. Penta as you know is owned by a consortium of international airlines including Lufthansa, British Airways etc. Most people recognise the fact that the singly high rise structure on the blighted Farmers Market site would have far greater credibility as a project if additional construction were ongoing on the adjacent property and renewed sales began at Marina Club One.

3. In the spring of 1986 the Bank "workout team" met with Dr Geiger and members of his staff to detèrmine what could be done with Marina Club property. Jack Cussen and Timothy Mundrick both

expressed a willingness to create a "workout plan" and felt that it might take as much as three years to resolve the Marina Club problem. Dr Geiger along with our staff made a presentation to Mr Mundrick at the Banks' request in terms of renewed efforts to market the property. Mr Mundrick responded quite favorably to this presentation and indicated he would "run it past" Mr Culver and members of the Bank's staff. Despite the appearance that the Bank intended to create a "workout plan" with the developers that was viable, Mr. Culver the account executive soon indicated that Messrs Cussen and Mundrick would have no further responsibility for the Marina Club project and therefore the "workout plan" was "over". There was no further effort expended by the Bank to try to reach an amicable resolution to this situation despite the fact that the initial $30,000 request and the $10,000 per month for closings would undoubtedly have created a situation in which the property could have been properly advertised and marketed.

4. To enhance the value and revenue of Marina Club One, we commenced construction of meeting room and banquet facilities on the ground floor. Sharswood Builders Inc worked with us in certain fit up work so we could attract small groups to Marina Club. At a point in time the work remaining to complete these renovations was $50,000. The Bank was however unwilling to advance $22,000 of the sum necessary and expressed absolutely no interest in pursuing this avenue to enhance the value of the project and/or generate additional income.

5. Perhaps one of the most detrimental actions that has occurred to

date were the comments made to Mr Richard Rosenberger of Visions Mortgage Company by Mr. Culver. Specifically we were informed by Mr Rosenberger that Mr Culver asked him to warehouse sixteen loans valued in excess of $2 million while the mortgage broker, Visions Mortgage Company, received the final end-loan commitment. We were advised by Mr Rosenberger that Mr Culver indicated that Marina Club project was "a loser". In addition Mr Culver indicated that the sale to Charles Evans of Evans and Hughes was not a valid sale, and therefore the presale conditions of Visions Mortgage Company would not have been met. Despite the attempts of the management to resolve this dispute Visions were never satisfied because the Bank refused to say anything further, clearly realising that they had made a serious mistake by making such detrimental remarks about their own project, when $2 million worth of loans would have been closed and would have helped satisfy the obligations to the Bank. This matter is of grave magnitude and has had significant impact on the deterioration of the relationship with the Bank and with prospective purchasers. Once the sixteen individual purchasers received notice that the loans were not approved because of certain concerns, they all cancelled their agreements to purchase

Ed as I am sure you realise, during our administration and management of Marina Club the facility was well maintained, well thought of by the business community as well as our client base, and every possible effort was made to improve the quality of the facility. Since the appointment of a trustee the building has been badly mismanaged which causes me grave concern and was one of the

reasons why I reached out to you recently. I don't know why the bank was instrumental in the appointment of the Trustee but I do know that we fought against it and that I personally expended some $50,000 in legal fees attempting to maintain control of the day to day operations of Marina Club. However I have begun to feel that my move to England which was intended to last for some six months while the financing for the Casino project was put in place, has caused the Bank to act with poor judgment as regards the Marina Club project. Perhaps you listened to the slanderous comments to which I referred earlier and believed I had abandoned APG. To the contrary our British investors asked me to make myself available in the UK on a full time basis during the raising of the equity portion of the funds necessary for the Casino project. As I have four little girls and was separated from my wife I had no option but to keep the girls with me and thus we all made a temporary move to the UK. I was still spending one week a month in New Jersey until the consortium disintegrated in the late Spring, early Summer of 1986. My suspicion is that the Banks' negative perception of my move and the breakdown of the Tannen Towers agreement caused an irrational and personal vendetta against Marina Club and myself, perhaps due to the earlier Tannen Towers failure and the corresponding reputational difficulties for some of the Bank personnel.

You should be aware that I was forced to sell my home in the United States when the consortium ceased to function in order to raise additional capital to further fund APG. It became clear at that time that the best chance for success for APG was to shed itself of

the Bayshore Property and concentrate all my efforts and those of Phil Geiger and the staff on saving Marina Club. I stayed in the UK in order to have access to the UK, European and Far Eastern markets while Phil was responsible for day to day operations and canvassing the USA. However despite the huge sums of personal money expended and the personal effort that was put forth by Phil, myself and our staff, the project as originally conceived simply did not make it. As you know we attempted every possible approach to sell Marina Club and to provide adequate funds to maintain the facility in the a first rate condition that we did. Eventually I ran out of money and there seemed no other avenue available except to put the company into a Chapter 11 thereby, we hoped, at least providing us with continued day to day control of the operation of Maria Club. This however was not allowed to happen and I fear that the affairs of Marina Club have recently been terribly mishandled.

Without being argumentative Ed I hope that I have alerted you to the fact that First Fidelity Bank both by its actions and inactions have detrimentally affected the project. As to my purported personal guarantee I should like to remind you that you personally assured me that the Bank would look to Espley Tyas should there ever be a need to call for financial contribution. You told me that you wanted me included as a coguarantor to insure that the building was successfully completed since I was the "local partner", I relied on your statement, the excess collateral given by the redevelopment agency and the financial strength of Espley Tyas when I originally signed the guarantee. Subsequently I gather that the

Bank decided unilaterally to release Espley Tyas from its obligations. Not only was this done without notice to myself but I was led to believe at the time I signed the continuing guarantee that Espley Tyas were also continuing as a guarantor. Subsequent to me signing the agreement, the Bank or its attorney modified the document to delete Espley Tyas as a party. Under the circumstances I believe that I have no personal liability under the purported guarantee.

However I want to do whatever I can to assist the Bank. I believe that a number of avenues of cooperation between myself and the Bank exist and to this end I would welcome some useful dialogue.

cc. P.E. Geiger by Facsimile
M.J. Rovell by Facsimile

FIRST FIDELITY BANK, et al.

MATTHEW C. HUDSON

88-5550

7/22/91	76	MINUTES OF 7-19-91 - See #77, Evidentiary Hearing cancelled, Stipulation to be filed with the Court, filed 7-19-91 (Gerry),
11/20/91	-	ALL FURTHER ENTRIES ARE ON ICMS SYSTEM

SAIBER, SCHLESINGER, SATZ & GOLDSTEIN
One Gateway Center
Newark, New Jersey 07102-5311
(201) 622-3333

LAW OFFICES OF MICHAEL J. ROVELL
55 West Monroe Street
Chicago, Illinois 60603
(312) 578-9191

Attorneys for Defendant

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	Civil Action No. 88-5550 (JFG)
-vs-	
MATTHEW C. HUDSON,	
Defendant.	

CERTIFICATION OF LISA I. FAIR

LISA I. FAIR certifies to the following facts:

1. I am an attorney in the law offices of Michael J. Rovell, principal attorneys foe defendant Matthew Hudson in the above-captioned action.

2. By order dated June 18,

1991, the Court granted First Fidelity Bank's motion for summary judgment finding Mr. Hudson liable on a guarantee of a Loan from First Fidelity to Market Towers Associates. The Court reserved ruling on the "issue whether First Fidelity is in possession of the property such that Hudson is entitled to a credit for the fair market value of the property" and scheduled an evidentiary hearing for July 3, 1991 on that issue.

3. Within the next week, the parties agreed to save the Court's time by entering into a stipulation of the facts that would have been presented at the hearing. The hearing was continued pending submission of the stipulation, which Paul Kizel, for First Fidelity, undertook to draft. Over the course of the next month, the parties investigated the facts. Mr. Kizel prepared a stipulation, and we requrested certain

changes. Mr. Kizel then indicated that First Fidelity would agree to stipulate that Mr. Hudson was entitled to an off-set and the value of the off-set. Accordingly, he agreed to obtain the two most recent appraisals on the building, the second of which I received in November. We then agreed to split the difference between the two appraisals for th epurpose of settling that issue only, and agreed that it would not be binding if Mr. Hudson prevailed on appeal.

4. Approximatleysix months later, on May 14, 1992, I received a form of "Final Judgment" and "Stipulation and Order Regarding Renewed Motion for Summary Judgment' which I caused to be signed on behalf of Mr. Hudson and returned to Mr. Kizel.

5. On May 21, 1992, I received a copy of Mr. Kizel's letter with enclosures transmitting the proposed

judgment and stipulation to the Court's clerk with a request that they be given to Judge Gerry for his review and execution. Mr. Kizel also requested that a filed stamped copy of each be returned to him in the envelope provided.

6. On June 26, 1992 Michael Rovell inquired concerning the status of the matter since we had not seen an executed copy of the order. I called Mr. Kizel while Mr. Rovell was on the telephone and asked if he knew whether the order had been entered. He informed us that it had and that he had telecopied the order to me on May 27, 1992.

7. At my request, he immediately telecopied his May 27 letter and the orders. I had never seen either before nor had anyone advised me that a Judgment had been entered.

8. On June 29, 1992, the next business day, we caused our offices to be

searched to see whether the letter and the order had been telecopied to us. We did not find a telecopy of either the letter or the judgment. I also note that in the past, matters that had been telecopied to us by Mr. Kizel bore the legend "VIa Fax:. This letter does not bear such a legend.

9. My associate, Robert Bull, contacted my secretary who has been out of town since June 19, 1992 helping her mother convalesce from cancer surgery and inquired whether she received by telecopy the letter and order. She advised that we did not.

10. We then discovered on June 29th that the May 27, 1992 letter only was received on June 1, 1992. No enclosures were included. It is my best recollection that I did not see it. Had I seen it, the text of the letter would have indicated to me that Mr. Kizel was simply transmitting copies of what had been stamped "Filed" by

the Clerk to indicate that they had been received by the Court from Mr. Kizel. Surely if I had seen a judgment executed by the COurt, I would have rembered and prepared and filed on a timely basis a Notice of Appeal.

Further, affiant sayeth not.

_____
Lisa I. Fair

Sworn to before me this
____ day of ____, 1992

_____
Notary Public

ARCHER & GREINER
A Professional Corporation
One Centennial Sqaure
Haddonfield, New Jersey 08033
(609) 795-2121
Attorneys for Plaintiff
First Fidelity Bank, N.A.

BY: DAVID B. BACON, ESQ. (DB 0028)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:
Plaintiff,	:
-vs-	:
MATTHEW C. HUDSON,	:
Defendant.	:

Civil Action No. 88-5550(JFG)
Date of Argument: September 4, 1992

CERTIFICATION OF PAUL KIZEL IN OPPOSITION TO DEFENDANT'S MOTION TO EXTEND TIME TO APPEAL

1. I am an attorney admitted to practice in the State of New Jersey. I am a member of the firm of Ravin, Sarasohn, Cook, Baumgarten, Fisch & Baime, former counsel for Plaintiff, First Fidelity

Bank, N.A., New Jersey in this action. I have personal knowledge of the facts set forth herein.

2. Pursuant to Opinions and Orders filed by this Court on October 3, 1990, January 29, 1991, and June 18, 1991, Plaintiff's Motion for Summary Judgment was granted as to Defendant's liability under a written guaranty executed by Defendant in favor of Plaintiff. See Exhibits A, B and C.

3. The only outstanding issue remaining after the June 18, 1991 Opinion and Order was whether Defendant was entitled to a credit equal to the value of certain real estate which served as collateral for the debt obligation guaranteed by the Defendant and, if so, the amount of the credit. See Order attached as part of Exhibit C. The June 18, 1991 Order scheduled a hearing on July 3, 1991 to consider this issue. Id.

However, prior to July 3, 1991, I had conversations with Lisa Fair, an attorney with the Law Office of Michael Rovell, the Chicago-based co-counsel for the Defendant (the "Rovell Firm"), concerning the possibility of avoiding the need for a hearing by having the parties mutually agree that Defendant was entitled to a credit and upon the amount of the credit. Prior to the July 3, 1991 hearing date either I and/or Lisa Fair contacted the Court and advised that the parties were attempting to resolve the remaining issue without the need for a hearing. As a result the hearing was adjourned without date.

4. By letter dated March 25, 1992, after several conversations with Ms. Fair concerning the amount of the credit, I forwarded a proposed Stipulation and a proposed Final Judgment to Lisa Fair, with a copy to Robert Nussbaum, an associate

with Defendant's New Jersey counsel, Saiber, Schlesinger, Satz & Goldstein (the "Saiber Firm"). See Exhibit D. On April 1, 1992, after I discussed certain revisions with Ms. Fair, I forwarded revised forms of the documents to Ms. Fair. Id. On May 13, 1992, I forwarded an original and one copy of both the final versions of the Stipulation and Final Judgment to Ms. Fair for execution. Id.

5. On May 18, 1992, I sent a letter to the Court enclosing an original and one copy of the Stipulation and Final Judgment. Copies of the letter and enclosures were simultaneously forwarded to Lisa Fair by fax and regular mail and to Robert Nussbaum by regular mail. See Exhibit E.

6. On or about Tuesday, May 26, 1992, I received executed and conformed copies of the Stipulation and Final Judgment from the Clerk of the District

Court.

7. On May 27, 1992 I sent a letter via regular mail addressed to "Michael J. Rovell, Esq. 55 West Monroe Street, Suite 3300, Chicago, Illinois 60603, Attn: Lisa Fiar, Esq." enclosing copies of the Stipulation and Final Judgment. A copy of the letter and enclosures were also forwarded to Robert Nussbaum by regular mail. See Exhibit F.

8. I did not receive any communication from Lisa Fair, Michael Rovell, Robert Nussbaum or any other person from the Rovell Firm or Saiber Firm until the late afternoon of Friday, June 26, 1992 when I received a call from Lisa Fair who informed me that Michael Rovell was also on the line. They both asked whether I knew about the status of the entry of the Final Judgment. I told them that I received copies of the Stipulation and Final Judgment several weeks earlier

from the Clerk and sent those documents to both Ms. Fair and Mr. Nussbaum. At their request, on June 26, 1992, I instructed my secretary to again send a copy of the May 27, 1992 letter and Final Judgment to Mr. Rovell's Office.

I hereby certify that the foregoing statements are true. I am aware that if any of the statements are willfully false I am subject to punishment.

_____

PAUL KIZEL

DATED: August 5, 1992

SAIBER, SCHLESINGER, SATZ & GOLDSTEIN
One Gateway Center
Newark, New Jersey 07102-5311
(201) 622-3333

LAW OFFICES OF MICHAEL J. ROVELL
55 West Monroe Street
Chicago, Illinois 60603
(312) 578-9191

Attorneys for Defendant

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:Civil Action No. 88-5550 (JFG)
-vs-	
MATTHEW C. HUDSON,	
Defendant.	

CERTIFICATION OF ROBERT B. NUSSBAUM

ROBERT B. NUSSBAUM declare that:

1. I am an attorney-at-law of the State of New Jersey and am an associate with the firm of Saiber Schlesinger Satz & Goldstein, local counsel for the defendant, Matthew C. Hudson.

2. On or about May 28, 1992, I received a copy of a letter together with enclosures sent by plaintiff's counsel, Paul R. Kizel, Esq., of Ravin, Sarashon, Baumgarten, Fisch and Baime, the original of which was directed to Michael J. Rovell, Esq., to the attention of Lisa Fair, Esq. The enclosures consisted of a "Final Judgment" and "Stipulation and Order Regarding Renewed Motion for Summary Judgment". Since the original letter and enclosures were addressed directly to Mr. Rovell, attention of Ms. Fair, as had all past correspondence addressed to Mr. Rovell's office, we assumed that the letter and enclosures were received at the same time we received the copy of the letter and documents; there was no reason for me to confer further at that time about the judgment and stipulation.

3. I certify under penalty of perjury under the laws of the United

States of America that the foregoing is true and correct.

DATED: July 14, 1992.

_____

ROBERT B. NUSSBAUM

Proceedings include all events.
12BG PRETRL APPEAL
1:88cv5550
FIRST FIDELITY BANK, et al.
v. HUDSON, et al

12/28/88	1	NOTICE OF REMOVAL by MATTHEW from state court Atlantic County (dv) [Entry date 11/20/91]
7/10/90	50	FINAL PRETRIAL ORDER filed (signed by Magistrate Joel B. Rosen) (dv) [Entry date 11/20/91]
11/20/91	--	ALL ENTRIES PRIOR TO 11/20/91 ARE DOCKETED ON THE PAPER DOCKET SHEET. (dv)
5/20/92	77	JUDGMENT for FIRST FIDELITY BANK against MATTHEW C. HUDSON in the amount of $12,763,795.05 with post judgment interest as provided by law from entry date. (signed by Chief Judge John F. Gerry) (jo) [Entry date 05/22/92]
5/20/92	78	STIPULATION and ORDER permitting Mathew Hudson certain credit against the amount of the debt owed to plaintiff. (Gerry) N.M. (jo) [Etnry date 05/22/02]
5/22/92	--	Case closed (jo)
7/14/92	79	NOTICE OF MOTION for an order enlarging the time within which the defendant,

		may file a Notice of Appeal from a judgment entered on 5-22-92 by defendant MATTHEW C. HUDSON, Motion hearing set for 9:30 9/4/92 on [79-1- motion (Certificate of Service thereto) (Memo Submitted) "ORAL ARGUMENT REQUESTED" (lc) [Entry date 07/15/92]
7/14/92	80	CERTIFICATIN of Michael J. Rovell Re: [79-1] motion for an order enlarging the time within which the defendant, may file a Notice of Appeal from a judgment entered on 5-22-92. (lc) [entry date 07/15/92]
7/14/92	81	CERTIFICATION of Lisa I. Fair Re: [79-1] motion for an order enlarging the time within which the defendant, may file a Notice of Appeal from a judgment entered on 5-22-92. (lc) [entry date 07/15/92]
7/14/92	82	CERTIFICATION of Robert B. Nussbaum Re: [79-1] motion for an order enlarging the time withint which the defendant, may file a Notice of Appeal from a judgment entered on 5-22-92. (lc) [entry date 07/15/92]
8/6/92	86	SUBSTITION OF ATTORNEY ON BEHALF OF PLAINTIFF.Terminated attorney PUAL KIZEL for

		FIRST FIDELITY BANK ; Added, JOHN V. FIORELLA. (lc) [Entry date 09/10/92]
8/7/92	84	CERTIFICATION of Kathleen Pallitto RE: In opposition to defendant's motion to extend time to appeal. (lc) [Entry date 08/10/92]
8/7/92	84	CERTIFICATION of Paul Kizel RE: In opposition to defendant's motion to extend time to appeal. (lc) [Entry date 08/10/92]

LAW OFFICES OF MICHAEL J. ROVELL
55 West Monroe Street
Chicago, Illinois 60603
(312) 578-9191

SAIBER SCHLESINGER SATZ & GOLDSTEIN
One Gateway Center -13th Floor
Newark, New Jersey 07102-5311
SK0307
(201) 622-3333

Attorneys for Defendant

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FIRST FIDELITY BANK, N.A., NEW JERSEY (formerly known as First National State Bank),	:
Plaintiff,	:
-vs-	:
MATTHEW C. HUDSON,	:
Defendant.	:

Civil NO. 88-5550
NOTICE OF APPEAL

Notice if hereby given that defendant Matthew C. Hudson ("Hudson") hereby appeals to the United States Court of Appeals for the Third Circuit from the March 17, 1993 Order denying Hudson's motion for reconsideration and the October

21, 1992 Order denying Hudson's motion to enlarge the time for filing an appeal or to vacate the entry of judgment.

SAIBER SCHLESINGER SATZ
& GOLDSTEIN
Attorneys for Defendant

By: _____
BRUCE I. GOLDSTEIN

Dated: March 31, 1993

CERTIFICATION OF SERVICE

I hereby certify that on this date I caused copies of the within Notice of Appeal to be served upon all counsel of record by delivering the same via Federal Express to the following:

David B. Bacon, Esq.
Archer & Greiner
One Centennial Square
Haddonfield, New Jersey 08033
Attorneys for Plaintiff

_____
BRUCE I. GOLDSTEIN

Dated: March 31, 1993

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 93-5169

FIRST FIDELITY BANK, N.A., NEW JERSEY,
(FORMERLY KNOWN AS FIRST NATIONAL STATE
BANK)

Appellee,

vs.

MATTHEW C. HUDSON

Appellant.

SUR PETITION FOR REHEARING

PRESENT: BECKER, ROTH and LEWIS, Circuit Judges.

The petition for panel rehearing filed by appellant in the above entitled case having been submitted to the judges who participated in the decision of this court, and no judge who concurred in the decision having asked for rehearing, the petition for panel rehearing is denied.

BY THE COURT,

_____

Circuit Judge

Date: November 28, 1994

October 3, 1990

Paul Kizel, Esquire
Ravin, Sarasohn, Cook, Baumgarten, Fisch & Gaime
103 Eisenhower Parkway
Roseland, New Jersey 07068

Robert B. Nussbaum, Esquire
Saiber, Schlesinger, Satz & Goldtesin
One Gateway Center, Suite 900
Newark, New Jersey 07102-5311

Michael J. Rovell, Esquire
875 North Dearborn
Chicago, Illinois 60610
Suite 3300
Chicago, Illinois 60603

Re: First Fidelity Bank, N.A., New Jersey v. Matthew Hudson
Civil Action No. 88-5550 (JFG)

Dear Counsel:

The plaintiff, First Fidelity Bank ("First Fidelity"), brought this action against the defendant, Matthew C. Hudson ("Hudson"), seeking to enforce a claim arising under a guaranty executed by

Hudson. In April 1983, First Fidelity issued a $15,000,000 construction loan to Market Towers Associates ("MTA"), a limited partnership, for the construction of a condominium project known as the Marina Club. Hudson, who is the primary shareholder, chief executive officer and, at that time, president executed an unconditional joint and several guaranty of the loan. A guaranty was also executed by Espley-Tyas, a London based company who is not a party to this action.

Subsequently, MTA sought to extend the maturity date of the loan. Counsel for First Fidelity drafted documents to modify the agreement so as to extend the maturity date from October 21, 1985 to April 21, 1986 and add APG as an additional guarantor. The documents included MTA, First Fidelity, Hudson and Espley-Tyas as parties to the agreement. However, Espley-Tyas, who was then involved in liquidation proceedings, never executed these modification documents. As a result, counsel for First Fidelity re-drafted the modification documents so as to eliminate Espley-Tyas as a party. The parties dispute whether or not these documents were ever validly executed by Hudson.